House
REPUBLICAN
Conference

FloorPrep

Legislative Digest

Wednesday, June 25, 1997

John Boehner
Chairman
8th District, Ohio

House Meets at 10:00 a.m. for Legislative Business

Anticipated Floor Action:
H.R. 1119—FY 1998 Defense Authorization Act
H.Con.Res. 102—Resolution Regarding Cost of Government Day (Vote Only)
H.R. 2015—Balanced Budget Act

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H.R. 1119—FY 1998 Defense Authorization Act

Floor Situation: The House will complete consideration of H.R. 1119 as its first order of business today. Yesterday, the House finished considering amendments to the bill in the Committee of the Whole. The only actions remaining are possible re-votes by the full House on amendments which were adopted or rejected in the Committee of the Whole, a possible motion to recommit, and a vote on final passage.

Summary: H.R. 1119 authorizes $268.2 billion in new budget authority and $266 billion in outlays for the Department of Defense (DOD). The bill reflects spending levels equal to those contained in the balanced budget agreement (H.Con.Res. 84). This amount represents a budget authority increase of approximately $2.6 billion over the president's request and approximately $2.2 billion over last year's authorization levels. Under the balanced budget agreement, H.R. 1119 projects $6.6 billion more in outlays for FY 1998 than the administration had projected and $3 billion more than Congress had projected last year.

Overall, the bill authorizes $69.5 billion ($66 million more than the president's request) for military personnel, $95.1 billion ($589 million less than the president's request) for operations and maintenance and working capital funds, $46.3 billion ($3.7 million more than the president's request) for weapons procurement, $37.3 billion ($1.3 billion more than the president's request) for research and development, $9.1 billion ($750 million more than the president's request) for military construction and family housing, and $11 billion ($2.6 billion less than the president's request) for the defense related programs of the Department of Energy. CBO estimates that enactment will result in outlays of $267 billion in FY 1998, $91.2 billion in FY 1999, $36 billion in FY 2000, $15.5 billion in FY

2001, and $6.7 billion in FY 2002. The bill affects direct spending, so pay-as-you-go procedures do apply. The bill was introduced by Mr. Spence and Mr. Dellums and was reported by the National Security Committee by a vote of 51-3 on June 11, 1997.

Views (on the overall bill):

Republican Leadership: Supports
Chairman Spence: Supports
Clinton Administration: No Position Available

Other Amendments: Under House rules, when a bill is reported to the full House by the Committee of the Whole, members may request a re-vote on an amendment that has been adopted or rejected by the Committee. The *Legislative Digest* was informed that some members may demand a re-vote on certain amendments

Additional Information: See *Legislative Digest,* Vol. XXVI, #17, Pt. II**,** June 16**,** 1997

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H.Con.Res. 102—Resolution Regarding Cost of Government Day

Floor Situation: The House will vote on H.Con.Res 102 sometime today. The resolution was debated under suspension of the rules on Monday but was not voted on. It requires a two-thirds majority vote for passage.

Summary: The resolution expresses the sense of Congress that the cost of government spending and regulatory programs should be reduced so that American families can keep more of what they earn. The total cost of government consumes 36.2 percent of the nation's net national product, which exceeds $3.52 trillion, up from $3.38 trillion in 1996. Also, federal regulatory costs now exceed $785 billion, which amounts to $13,500 for every American. The resolution states that the Cost of Government Day should be July 3, 1997. The resolution was introduced by Mr. DeLay and was not considered by a committee.

Additional Information: See *Legislative Digest,* Vol. XXVI, #18, June 20**,** 1997.

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H.R. 2015—Balanced Budget Act

Floor Situation: The House will consider H.R. 2015 after it completes consideration of H.R. 1119. Yesterday, the Rules Committee granted a structured rule that waives all points of order against the bill and its consideration and provides three hours of general debate, equally divided between the chairman and ranking minority member of the Budget Committee. The rule self-executes (i.e., incorporates into the base text upon passage of the rule) a manager's amendment described below. The rule does not make in order any substitute amendments to H.R. 2015, but allows one motion to recommit, with or without instructions.

The rule also provides for the consideration of H.R. 2014, the Taxpayer Relief Act, providing three hours of general debate equally divided between the chairman and ranking minority member of the Ways & Means Committee. It waives all points of order against the bill and its consideration, and self-executes a committee amendment printed in the *Congressional Record*. The rule makes in order a substitute amendment by Mr. Rangel, debatable for one hour equally divided between a proponent and an opponent. Finally, the rule provides one motion to recommit, with or without instructions.

Summary: H.R. 2015 implements the framework of the balanced budget agreement by reconciling mandatory spending with the budget resolution's mandate to balance the budget in five years. It overhauls nearly every major federal entitlement spending program except Social Security. The bill slows the growth of total federal spending to three percent a year for the next five years, providing budget savings of $289 billion over that period. The bill also slows the growth of non-defense discretionary spending to less than one-half percent a year over the next five years (compared to six percent annually for the last 10 years). It achieves $182 billion in entitlement savings over the next five years and $700 billion over 10 years. The bill does not include measures to cut taxes, which are included in the Taxpayer Relief Act which will be considered on Thursday. Highlights of the bill include measures to:

* achieve a total of $115 billion in savings over the next five years through Medicare program reforms, slowing the program's annual growth from approximately 8.5 percent to 5.9 percent and extending the life of the Medicare Part A trust fund until 2007;

* establish a MedicarePlus program to give seniors a greater choice of health care options;

* reform the Medicaid program to increase state flexibility to administer health care services to the poor;

* create a capped entitlement of $2.8 billion per year for a new Child Health Assistance Program to help states insure children from low-income families who are not otherwise eligible for Medicaid. States must to match federal dollars a rate of 20 percent;

* require the Federal Communications Commission (FCC) and the National Telecommunications and Information Administration to auction portions of the electromagnetic spectrum;

* make health insurance for small businesses more affordable, more accessible, and more secure;

* authorize $3 billion over the next four years for welfare-to-work services to help individuals who have been on welfare for long periods of time to enter the workforce;

* provide continued eligibility for aliens to receive SSI and Medicaid benefits; refugees, asylees, and those whose deportation has been withheld may continue to receive such benefits for an additional five to seven years under this provision; and

* include several budget enforcement provisions, such as permanently extending the requirement that a budget resolution cover a five-year period and extending the pay-as-you-go requirements through FY 2002.

H.R. 2015 was introduced by Mr. Kasich on June 23 and was reported by the Budget Committee by a vote of 25-5-2 on June 20, 1997.

Views (on the overall bill)

Republican Leadership: Supports
Chairman Kasich: Supports
Clinton Administration: No Position Available

Amendments: As stated above, the rule does not allow any amendments. However, it does self-execute (i.e., incorporates into the base text upon passage of the rule) a manager's amendment from Mr. Kasich which makes a number of changes to the bill in areas such as the welfare-to-work program and food stamps, Medicaid and children's health care, and budgetary enforcement procedures.

Manager's Amendment

Low-Income Medicare Premium Protections

The manager's amendment provides an additional $1 billion in low-income Medicare premium protections, bringing the total amount of funding for this provision to $1.5 billion over five years. The provision covers the full Medicare Part B premium for seniors with incomes of up to 135 percent of the poverty level. For seniors with incomes between 135 percent and 175 percent of poverty, the assistance covers that portion of Medicare Part B increases attributable to the home health spending transfer. As adopted by the committee, the bill establishes that Part A coverage for home health care visits be transferred to Part B premium benefits after the first 100 home visits by a health care professional which serve as an extension of health care from a hospital stay. In conjunction with the transfer, the committee bill establishes the amount of a Part B premium to equal 25 percent of program costs. Thus, the additional funding provided by the manager's amendment will go to cover these costs.

Minimum Wage/Welfare-to-Work Participant Protections

The manager's amendment requires that all of the $3 billion in welfare-to-work funds authorized by the bill be obligated no later than FY 1999. As adopted by the committee, the bill authorizes $3 billion in welfare-to-work grant funding over the next four years, through 2001.

Welfare-to-Work Grants

Both the Education & Workforce Committee and the Ways & Means Committee submitted similar recommendations regarding welfare-to-work grants. For the most part, the Rules Committee decided to keep both sets of provisions in the bill for floor debate, requiring the differences to be worked out in a House-Senate conference. However, the manager's amendment does include a few changes.

Work Limits. The manager's amendment includes a new provision to limit the number of hours workfare participants may work to 40 hours per week. The amendment also strikes language in the bill, thus maintaining a provision in current law, that stipulates that federal displacement laws for workfare participants do not preempt state laws that have stronger worker displacement requirements.

Compensation. The manager's amendment also works out differences in the two committees' recommendations by counting only Temporary Assistance for Needy Families and food stamp benefits when calculating the amount a workfare person must be compensated in relation to the minimum wage.

Definition of Workfare. The manager's amendment defines workfare as services that are provided to individuals who are unable to achieve employment. The bill currently stipulates that workfare participants are not covered under the Fair Labor Standards Act, which includes minimum wage standards. The amendment, instead of specifically declaring that workfare participants are not covered by the Fair Labor Standards Act, adopts the AFDC/JOBS criteria found in the 1988 Family Support Act (*P. L. 100-485)*.

The amendment also stipulates that only Temporary Assistance to Needy Families (TANF) payments and food stamps may be counted as compensation for workfare participants. It eliminates requirements in the bill which also require that Medicaid, child care, and housing assistance be counted as compensation. Workfare participants must be compensated for their work through federal work subsidies and benefits in an amount that is equivalent to the minimum wage.

Grievance Procedures. The manager's amendment requires states to develop grievance procedures for workfare participants who have been (1) discriminated against based on age, race, disability; or gender, or (2) subjected to working conditions that violate health and safety standards. The bill currently stipulates only that workfare participants are subject to discrimination and health and safety requirements, but does not require states to develop grievance procedures. The manager's amendment also stipulates that the grievance process may not include appeals to the Labor, Health, and Human Services Secretary.

Electromagnetic Spectrum Auctions

The manager's amendment increases the amount of receipts that must be collected from the auction of portions of the electromagnetic spectrum from $9.7 billion to $20.3 billion. The manager's amendment also relaxes several conditions and requirements for auctioning portions of the spectrum which are believed to hinder the amount the federal government will earn from the auction. Finally, the manager's amendment requires that more spectrum be located for auction. Currently, the bill requires 180 megahertz of spectrum to be auctioned.

Medicaid

Hospital Stays. The manager's amendment strikes provisions in the bill that allow only doctors to determine how long a patient will stay in the hospital. The provision was included in the bill to deter managed care organizations from making a patient leave the hospital before they were healed just to save money. The provision has been eliminated in response to a CBO estimate that it will increase federal spending by $800 million over the next five years.

Children's Health Care. The amendment modifies the $16 billion block grant to help states provide health insurance for uninsured children to guarantee that the program complies with the balanced budget agreement, and to ensure that the full amount requested is spent.

Children Receiving Social Security Benefits. The manager's amendment authorizes $100 million to allow states the option to maintain Medicaid benefits for children who will lose their Medicaid eligibility because of stricter Social Security eligibility standards that were enacted as part of last year's welfare reform law (*P.L. 104-193).*

Multiple Employer Welfare Arrangements

The manager's amendment modifies welfare-to-work provisions regarding multiple employer welfare arrangement in order to resolve a jurisdictional dispute between the Ways & Means and Education & Workforce Committees.

Veterans' Medical Care. The manager's amendment allows veterans' hospitals to retain medical care cost recovery receipts, subject to appropriations, so that veterans' medical care remains a discretionary program. The original reconciliation legislation replaced the existing Medical Care Cost Recovery Fund with a new fund known as the Medical Care Collections Fund. It authorized the VA to keep the monies collected from insurance companies and not subject the money to action by the Appropriations Committee.

Budget Enforcement. The manager's amendment makes changes to the budget process which were outlined in the budget agreement. Specifically, the amendment modifies budget enforcement provisions in the 1974 Congressional Budget and Impoundment Control Act in order to:

* permanently extend the requirement that a budget resolution cover a five-year period;

* extend, through points of order, the enforcement of the five-year spending and revenue levels set forth in budget resolutions;

* simplify and update the points of order that are used to enforce the spending and revenue levels outlined in budget resolutions;

* allow adjustments in budget resolution levels for legislation appropriating funds for designated emergencies, arrearages, and the International Monetary Fund; and

* eliminate the need to waive the Budget Act for a reported bill that violates the act but is later fixed by a self-executing rule, thus making the point of order unnecessary.

Also, the manager's amendment makes a number of changes to the Balanced Budget and Emergency Deficit Control Act of 1985. Specifically, these changes:

* adjust and extend statutory discretionary spending limits (which are enforced through sequestration) through FY 2002;

* allow adjustments in discretionary spending limits for appropriations for emergencies, arrearages, and the International Monetary Fund;

* extend pay-as-you-go requirements (which require that entitlement and tax legislation be fully offset) through FY 2002;

* modify the baseline that is used to score legislation so that committees get credit for eliminating entitlement programs; and

* eliminate accrued pay-as-you-go balances and savings from reconciliation to ensure that all savings are used for deficit reduction.

Additional Information: See *Legislative Digest* Vol. XXVI, #18, Pt. II, June 23, 1997.

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